

**ORGANIZATION OF MISO STATES, INC.
REGULAR BOARD OF DIRECTORS MEETING
CONFERENCE CALL
SEPTEMBER 11, 2003**

APPROVED OCTOBER 9, 2003

Commissioner Susan Wefald called the Board of Directors meeting of the Organization of MISO States, Inc. (OMS) to order at approximately 2:05.

The following directors were present by conference call for the meeting:

Susan Wefald, North Dakota	Kevin Wright, Illinois
Steve Gaw, Missouri	Laura Chappelle, Michigan
Diane Munns, Iowa	David Hadley, Indiana
Greg Jergeson, Montana	Robert Garvin, Wisconsin

A proxy for the following director was established:
Janet Gonzales, Minnesota as a proxy for LeRoy Koppendrayer

The directors and their proxies listed above established the necessary quorum for the meeting of at least eight directors being present.

Director Gary Gillis of Kentucky later joined the conference call. In addition, other parties also participated in the conference call.

Agenda Item 1, Approval of the Minutes of the August 14, 2003 Meeting

It was moved and seconded that the reading of the draft minutes of the August 14, 2003 OMS Board of Directors meeting be waived. The motion was approved. Several corrections to the draft minutes of the August 14 meeting were discussed and accepted. The minutes of the August 14 meeting were then approved as corrected. Commissioner Gillis suggested that the draft meeting minutes be signed in the future, so that if any of the directors had questions concerning the minutes they would know the proper party to direct them to. After some discussion, Commissioner Gaw stated that he would include the notation "response submitted by Steve Gaw" on future draft minute issuances.

Agenda Item 2, Treasurers Report

Commissioner Laura Chappelle, Treasurer of the OMS, gave a brief summary of the contents of the "Treasurer's Report" document that had been distributed prior to the meeting. Commissioner Chappelle also addressed the budget process for OMS, and said a proposed budget for 2004 would be presented to the OMS Board of Directors by mid-October 2003.

Agenda Item 3, Report of Actions Taken at the August 28 Executive Committee Meeting

Commissioner Gaw, Secretary of the OMS, gave a brief description of the agenda items covered in the August 28, 2003 OMS Executive Committee meeting. Commissioner Wefald then stated that there would be a closed Executive Committee meeting on September 12, 2003, at 1:00 pm central standard time to discuss the applications for the OMS Executive Director position, and that the next regular Executive Committee meeting would be held on September 29, 2003, at 11:00 am central standard time.

Agenda Item 4, Shall OMS File Comments on MISO Market Tariff with FERC?

The Board of Directors discussed the draft Comments concerning the Midwest Independent System Operator, Inc. (MISO) Market Tariff filing before the Federal Energy Regulatory Commission (FERC). These Comments had been prepared by the OMS Market Rules and Working Group, and reflected edits previously submitted by OMS member states. Commissioner Wefald stated that eight OMS member states needed to state that they were in general agreement with the Comments before they could be issued under OMS' name. The states indicating general agreement with the Comments would have to option of filing separate comments before the FERC to indicate any clarification to their state's position they believed appropriate, or to submit "minority reports" to FERC.

Commissioner Wright stated his opinion that, in the future, some time should be included in the schedule for submitting OMS comments for state commissions to have access to the "final draft" before voting on the comments. Commissioner Wefald stated that such time would be allotted in future schedules for filing of comments by OMS.

Commissioner Wefald then took a roll call of the state commissions on the conference call, to determine whether they were in general agreement with the Comments. The North Dakota, Illinois, Missouri, Michigan, Iowa, Indiana, Minnesota, Montana, and Pennsylvania Commissions all declared themselves to be in general agreement with the draft Comments. Wisconsin did not agree to join in the OMS Comments because it disagreed with the generally optimistic tone of the introduction and conclusion sections of the Comments. Wisconsin stated that the these sections of the Comments were inconsistent with what it believed to be the important omissions and deficiencies in MISO's proposed Market Tariff filing that were discussed in the body of the OMS Comments. Kentucky did not join in the comments because the Kentucky Commission had a pending contested case before it related to MISO.

As the commissions expressing general agreement with the Comments totaled nine in number, Commissioner Wefald declared that the Comments before the Board of Directors as distributed prior to the meeting would represent the official position of the OMS as a whole. However, Commissioner Hadley suggested that a sentence or two be added at the end of the Comments to indicate that these were initial comments on these matters. There was general agreement with this suggestion.

Commissioner Wefald asked that any state or province that was not present on the call contact her by the morning of September 15 if they wanted her name added to the names of the states generally supporting the Comments. Other states or provinces would be listed as not participating in the Comments.

Commissioner Wefald stated that the Comments would be filed with FERC on September 15, 2003, and that the filing would include language indicating that the OMS members

signing on to the Comments reserve the right to file on their own clarifying language or minority reports on any of the issues raised within the Comments.

Several of the directors on the call expressed a sense of urgency on the OMS “getting up to speed” on the subject of financial transmission rights (FTRs), since the MISO filing concerning FTRs is due in mid-October 2003. In response, Commissioner Wefald stated she would be in contact with Mike Proctor of Missouri, the Chairperson of the OMS Congestion Management and FTR Allocation Working Group, to develop a schedule for preparing the OMS Board of Directors for consideration of FTR issues.

Agenda Item 5, Shall the OMS Send a Letter to MISO Regarding OMS Pricing Issues Responsibilities and Process for Addressing Such Issues

Commissioner Munns stated that she had drafted and distributed a letter to MISO on the role of OMS in pricing issues that might arise, based upon FERC’s declared willingness to defer to regulatory state committees on such issues. It was moved and seconded that this letter be sent to MISO. The motion was approved. Commissioner Wefald stated the letter would be sent out today.

Agenda Item 6, MISO Advisory Committee Agenda

Commissioner Wright stated that the agenda had already been distributed by e-mail, and that he would be happy to respond to any questions on the agenda by e-mail as well, in the interest of time.

Agenda Item 7, Update on Application to DOE

Regarding the OMS application to the Department of Energy for a survey on transmission line siting practices, Commissioner Wefald stated that Commissioner Munns and Commissioner Chappelle have drafted a letter to DOE concerning such funding. Commissioner Chappelle said the letter would be sent out on September 12, 2003.

Agenda Item 8, Indemnification and Officers and Directors Insurance/Bonding

Commissioner Wefald stated that the OMS had yet to receive additional information from the Novick Group on these topics. (The Novick Group was recommended by the National Association of Regulatory Utility Commissions (NARUC) as a vendor for these services.) Accordingly, Commissioner Wefald stated this item would be discussed at the next OMS Board of Directors meeting.

Agenda Item 9, Proxy Guidelines

Draft proxy guidelines, prepared by Commissioner Gaw, had been distributed prior to the meeting. It was moved and seconded that the proxy guidelines be approved. The motion was approved.

Agenda Item 10, State Travel Guidelines

Commissioner Wefald said that revisions were still being made to the guidelines by Commissioner Chappelle and Commissioner Munns. Therefore, this item will be discussed at the next OMS Board of Directors meeting.

Agenda Item 11, Set Time for Next Regular Meeting

The next OMS Board of Directors meeting will be held on October 9, 2:00 pm, central standard time.

Commissioner Wefald adjourned the meeting at approximately 3:15.

Respectfully submitted by Steve Gaw, Secretary.